

986/25



United States
Department of
Agriculture

Office of
Information

Selected Speeches and News Releases

June 13, - June 20, 1986

IN THIS ISSUE

NEWARK PUBLIC LIBRARY

Remarks—

Prepared for delivery by Secretary of Agriculture to the World Food Council, Rome, Italy, June 18.

JUN 14 1986
U. S. GOVT. PUBL.
DEPOSITORY 378

News Releases—

FmHA Guaranteed Operating Loans Nearly Doubled

CCC Invites Bids on 1983-Crop Burley Tobacco

USDA Extends Farmer-Owned Reserve Rotation Period for Corn, Sorghum

USDA Announces Tentative Acceptances of Requests to Change Dtp Contracts

USDA Permits Processing Methods That Lower Nitrite Levels in Bacon

CCC Rejects All Offers of Beef Carcasses for Brazil

Honey Producers, Importers Approve Research and Promotion Order

USDA Proposes Modifying Crop and Livestock Survey Program

USDA Lifts Oriental Fruit Fly Quarantine in California

Christopher Hicks New USDA General Counsel

Israel and Jordan Eligible for Barley Purchases

Egypt Eligible for More Frozen Poultry Under Export Enhancement Program

USDA Announces Weekly Cattle Slaughter, Meat Purchases and Exports of Cattle Under the Dairy Termination Program

A21.24/2:

READER
FICHE

best copy available

USDA Program Announcement—

USDA Issues Final Rule for Peeled Potatoes

USDA Issues Peanut Loan and Handler Interim Regulations, Requests Comments

USDA Proposes 1986-Crop Differentials and Asks for Comments

USDA Revises 1986 Flue-Cured Tobacco Marketing Quota, Acreage Allotment

Remarks

U.S. Department of Agriculture • Office of Information

Remarks prepared for delivery by Secretary of Agriculture to the World Food Council, Rome, Italy, June 18.

Mr. President, excellencies, distinguished delegates:

It is a distinct honor to address the 12th Ministerial meeting of the World Food Council. It is my first opportunity to attend a meeting of the World Food Council and I do so with pleasure.

For years this forum and others like it have heard U.S. officials complain of excessive protection and excessive subsidization of agricultural trade. This criticism has frequently been aimed at our friends among the developed nations; most often at the export subsidization policies of the European Community.

Today, although I will make some of the same complaints, I wish to add a new perspective to our familiar line of argument. This is necessary because, with the 1985 farm laws adopted by the United States, we are now engaging vigorously in some of the practices which we so strongly criticized in the past. We are, in fact, determined to regain a substantial part of the agricultural exports we have lost during the past five or six years because others were unwilling to heed our complaints of the past.

U.S. agricultural exports declined from \$44 billion in 1981 to about \$27 billion this year. There were numerous reasons for this, some the result of our own domestic farm policy. This farm policy has changed directions, now, and the effects of this will, I believe, have global implications.

Though our new farm legislation is designed in part to correct some of the policies of the past, it is clear that it will cause new concerns in world markets. We now find many of the developed countries pursuing their own preferred means of seeking to protect and stabilize domestic farm economies. Whether the devices be variable levies and import quotas or export subsidies, I do not believe anyone is under the illusion that the sum of these consequences is a healthy economic setting for international food trade.

The World Food Council Secretariat therefore is quite correct, in its note on Agenda Item 4, "Problems of Stability and Security in

International Food Trade," to observe that "U.S. policy changes are very important for the functioning of international markets." It is well, too, that the Secretariat makes the exhortation that "Similarly, the EEC . . . has a major role to pursue policies, with other major traders, that, taken together, have the impact of improving the functioning of international food markets."

Adverse Impacts of Agricultural Protection

As the agenda of this ministerial meeting has acknowledged, food-centered development is the logical course for many African nations and some other less developed countries. This should heighten our recognition that protection of agriculture in the developed countries tends to harm LDCs where they are most vulnerable and inhibit their opportunity for progress. A scholarly analysis by the International Food Policy Research Institute in 1980 estimated that if the industrial countries were to have reduced their protection of agriculture by 50 percent, LDCs would have gained an increase in the value of their agricultural exports of more than 12 percent.

It is vital that we renounce "zero-sum" thinking in this context. Adverse economic conditions in the less developed countries reduce employment opportunities in the export-related enterprises of the developed countries. Analysis by the Overseas Development Council estimates the toll in lost jobs from this cause at 1.4 million in the United States alone.

Is it realistic to hope that the developed countries at last might begin to act in unison to make world agriculture markets more open and rational? Yes, I believe so, and I feel it is necessary if we are to avoid increasing government intervention in agricultural trade and the economic chaos which will result.

Trade Liberalization a High Priority

I already have commended the Secretariat of the World Food Council on its thoughtful preparation for this meeting. The United States welcomes the report by United Nations Assistant Secretary General Anstee on strengthening this organization, which already has the virtues of manageable size and of being the only all-ministerial body in the United Nations system.

Elsewhere in the U.N. system, significant progress was made last

month at the General Assembly's special session on the economic crisis in Africa. It is most significant that the General Assembly's unanimous resolution strongly encourages the role of the private sector in economic development.

I should also like to stress the significance of the resolution's call for the international community to "evolve policies conducive to sustained, equitable and noninflationary growth, including the expansion of trade through the elimination of protectionism, particularly non-tariff barriers." Movement in this direction of free and fair play for each nation's comparative advantage is critical if the LDCs are to achieve the goal of balanced development, not just in agriculture, but in every industry and sector.

The unanimous General Assembly resolution harmonizes closely with the recent declaration put forward in Tokyo by the heads of state or government of the seven major industrial democracies. The Tokyo declaration strongly urges trade liberalization, noting that it would be as beneficial to the less developed countries as to the industrialized nations. The Tokyo meeting also gave unprecedented attention to agriculture.

The seven leaders candidly acknowledged that the "global structural surplus" for some important agricultural products is partly the result of "longstanding policies of domestic subsidy and protection of agriculture in all our countries." The summit leaders also conceded the harm this situation is causing to some of the developing countries. The problem of global surplus, subsidy, protectionism, and adverse impacts to the less developed countries is one which, the leaders declared, "we all share and can be dealt with only in cooperation with each other."

Multilateral Trade Negotiations

All of these discussions bring us to the threshold of a new round of multilateral trade negotiations aimed at strengthening the General Agreement on Tariffs and Trade. In these talks I am hopeful that world agriculture can make progress, as never before, toward rules for fair and freer trade. There are, to be sure, serious short-term obstacles, including the current disagreements between the United States and the European Community. But deeper than these tensions are the growing perceptions about public policy among the citizens and the leaders of our governments.

In my country, the government is responding to popular demand for an

end to prodigal public spending exceeding revenues. We are moving toward simplifying our tax system so that there will be clearer and stronger incentives for productive labor and enterprise. Inflation has been brought under control, and interest rates are moderating.

The tenet unifying all of the recent United States economic initiatives and achievements is, as Secretary of State Shultz remarked last month at the United Nations special session on Africa, "that the talents of individual human beings are the greatest resource a society can bring to the tasks of national development." He went on to observe that the United States' experience is hardly the only example of this truth. In East Asia, in the Western industrial democracies, in some African countries, and even in some communist countries, individual initiative is being allowed to show its power to generate economic well-being.

If the developed countries were to take decisions to reduce protection and subsidy, many of our rural citizens and communities would face transitions they would rather not make. Still, the transitions would be far less difficult if we act together. It is the only way progress can be achieved. Multilateral trade negotiations are always long and laborious. We should draw upon that factor to introduce reforms at an acceptably gradual pace.

Unless the developed countries cooperate to reform their agriculture policies, I see no end to the pitiless cycle of economic crises in such underdeveloped regions as Africa. My government stands ready as always to provide aid to countries facing emergencies or mired in longstanding situations of poverty. How much better it would be, though, if international economic aid were part of an authentic transition to greater self-reliance and economic balance among the poorer nations.

Our newest food aid programs—Food for Progress and the local currency program—seek more effectively than ever to encourage true economic growth through the unleashing of personal initiative. Experience has shown that often food production declines for several years as a country adjusts its policies to allow free market forces to operate. During this transition period, the Food for Progress program offers assistance to help prevent a decline in food availability in countries that have made commitments to introduce or expand free enterprise elements in their agriculture.

Our local currency loan initiative is directly targeted to the private sector in participating countries. Under this program, the U.S. government will receive local currency in payment for food aid

commodities. We will then loan that currency to private financial institutions in the recipient country to provide loans for private sector economic development.

Strong national and regional economic recoveries already are under way. We minister-members of the World Food Council should recognize more clearly than most that the choice between the renewed recession and the full blossoming of global recovery hinges on agriculture. Our governments have much in their power, beginning this year with the new round of multilateral trade negotiations, to influence that choice.

Thank you.

#

News Releases

U.S. Department of Agriculture • Office of Information

FmHA GUARANTEED OPERATING LOANS NEARLY DOUBLED

WASHINGTON, June 12—The Department of Agriculture's Farmers Home Administration has made nearly twice the number of guaranteed operating loans this year as it had by this time last year, according to FmHA Administrator Vance L. Clark.

As of June 4, FmHA had guaranteed 11,024 operating loans totaling \$1 billion during fiscal 1986. At the same time in fiscal 1985, FmHA had made 5,951 guaranteed loans amounting to \$675 million.

"After a somewhat slow start," Clark said, "banks and other private-sector lending institutions are participating to a greater extent with FmHA in providing farm operating credit to farmers who need special help.

As an example of what he called a "new spirit of cooperation," Clark noted that in just three weeks since the announcement of Operation Assist, private lenders have accepted 232 FmHA loan guarantees for \$17.9 million. Under Operation Assist, FmHA County Supervisors complete paperwork for farm credit applicants and take them to a private lender to try to work out an FmHA guaranteed loan. If the private lender makes the loan, FmHA agrees to reimburse the lender up to 90 percent of any loss which may occur.

The Interest Buy Down program, authorized in the 1985 farm bill, already has resulted in 819 loans for \$83 million. Under this program FmHA will match a reduction in interest rates by a bank of up to two points. That agreement can result in a reduction of up to 4 points for the farmers.

The Approved Lender program had attracted 1,300 banks as of April 30. An approved lender is a bank or other lending institution whose forms and paperwork have been approved by FmHA in advance. Guarantee requests from approved lenders are given high priority by the agency.

"Private sector lenders have accepted the new FmHA programs designed to help as many efficient farmers as possible to stay in

business," Clark said. "The federal government can no longer afford to meet all the demand for operating funds from farmers. From now on, that's a shared responsibility of both the private and public sectors."

Mary Ann Baron (202) 447-4323

#

CCC INVITES BIDS ON 1983-CROP BURLEY TOBACCO

WASHINGTON, June 13—The U.S. Department of Agriculture's Commodity Credit Corporation today invited offers to bid on 212 million pounds of 1983-crop burley tobacco.

Bids may be submitted by any potential buyer maintaining a bonafide office in the United States, according to Milton Hertz, CCC acting Executive Vice President.

CCC called the price support loans on the tobacco on May 7 as mandated by a provision of the Consolidated Omnibus Budget Reconciliation Act of 1985, Hertz said.

The tobacco was acquired from the Burley Stabilization Corporation of Knoxville, Tenn. and the Burley Tobacco Growers Corporation Association of Lexington, Ky. which had held it as collateral for CCC loans. The two producer-owned associations have contracted with CCC to provide price support on burley tobacco.

These two associations will assist CCC as servicing agents for maintenance and sales of the tobacco stocks, Hertz said.

Interested persons may obtain an invitation to bid from the Director, ASCS Tobacco and Peanuts Division, P.O. Box 2415, ASCS-USDA, Washington, D.C. 20013, telephone (202) 447-5264. To be eligible for consideration, bids must be received no later than 2 p.m. EDT, July 15, 1986.

Robert Feist (202) 447-6789

#

USDA EXTENDS FARMER-OWNED RESERVE ROTATION PERIOD FOR CORN, SORGHUM

WASHINGTON, June 13—To make the rotation period for corn and grain sorghum consistent with other commodities, Secretary of

Agriculture Richard E. Lyng announced today that farmers who have these commodities in the farmer-owned grain reserve may now rotate them out of storage up to 30 days before replacing the older crop grain.

It is routine for farmers to remove old crop reserve grain from storage and replace it with newly-harvested grain, existing grain, or purchased grain to maintain the quality of the grain under loan.

Lyng also announced that replacement stocks of wheat, barley, and oats may now consist of existing grain and purchased grain as well as newly-harvested grain.

Farmers wishing to take advantage of the extended rotation period should contact their county Agricultural Stabilization and Conservation Service office prior to removing their crops from storage, Lyng said.

Robert Feist (202) 447-6789

#

USDA ANNOUNCES TENTATIVE ACCEPTANCES OF REQUESTS TO CHANGE DTP CONTRACTS

WASHINGTON, June 13—A total of 1,140 of the 9,503 Dairy Termination Program participants with contracts to dispose of their dairy cattle in the first contract disposal period, April 1 to August 31, have requested modification of their contracts to allow them to dispose of their cattle in a later period, acting Undersecretary of Agriculture Richard W. Goldberg announced today.

Those producers whose offers to modify their contracts have been tentatively accepted had, under their original contracts, 157,411 dairy cattle consisting of 94,365 cows, 36,737 heifers and 26,309 calves. Some of these animals have already been slaughtered or exported during April and May. A detailed summary is contained in the supplemental tables.

Of the 157,411 dairy cattle, 124,968 cattle, 74,380 cows, 29,163 heifers and 20,975 calves, are subject to contracts which may be modified to provide for the disposal of these cattle during disposal period 2, Sept. 1, 1986-Feb. 28, 1987 and 32,443 cattle, 19,535 cows, 7,574 heifers and 5,334 calves, are subject to contracts which may be modified to provide for the disposal of these cattle during disposal period 3, Mar. 1, 1987-Aug. 31, 1987.

Offers by producers to modify their contracts to dispose of their cattle during either period 2 or 3 were accepted for period 2. Only 5,073 cattle

were involved and they are included in the above totals. Producers have until June 30 to sign the modified contract to make the changes effective.

These changes should help to spread out the slaughter which was expected in Aug. 1986. In the earlier intention report, which does not reflect any changes which will result from contract modification, a total of 228,950 cattle, 132,626 cows, 50,747 heifers and 45,577 calves, were intended for slaughter in August.

Two requests by producers, whose cattle totaled 7,441 head, to modify their contracts were denied because the number of cattle subject to each contract exceed one-third of the total number of cattle which will be disposed of in their respective States by the end of period 1.

Bruce Merkle (202) 447-6787

#

USDA PERMITS PROCESSING METHODS THAT LOWER NITRITE LEVELS IN BACON

WASHINGTON, June 16—Effective July 16, the U.S. Department of Agriculture will permit new methods of processing bacon that use less nitrite than previously required, according to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

"We are making this change in accord with an earlier National Academy of Sciences recommendation that USDA periodically review nitrite usage and maintain levels consistent with the latest scientific information," said Houston.

"The rule allows plants with USDA-approved quality control programs to reduce sodium nitrite levels in bacon from the currently required 120 parts per million (ppm) to 100 ppm," he said. "Quality control systems are designed to control precisely key points in production such as the level of nitrite being pumped into the pork bellies."

Nitrite is used to cure or preserve meats and to help prevent botulism, a rare but serious food poisoning.

The rule also permits a new method for making bacon—using lactic acid starter cultures and sugar in a curing solution with 40 to 80 ppm sodium nitrite—for packers with approved quality control programs. The harmless bacterial cultures help protect against the growth of organisms that cause botulism. Houston said the rule retains the required 120 ppm level for plants not using the new alternative procedures.

The new procedures are designed to reduce the likelihood of nitrosamine formation, he said. Nitrosamines can form at high frying temperatures when nitrite in bacon cures combines with naturally occurring amines in the meat. Some nitrosamines have been shown to be carcinogenic in laboratory animals.

USDA will continue to test commercially produced bacon for nitrosamines. Since 1978, FSIS has been testing bacon for nitrosamines and retaining bacon with confirmable nitrosamine levels. Test results are published each week.

USDA received 20 comments after proposing this rule on April 15, 1985. While all commenters supported the proposal, some raised issues such as the desirability of banning nitrite from bacon and other meat products and the effectiveness of lactic-acid starter cultures in bacon with and without nitrite.

Houston explained that existing USDA rules permit the production of nitrite-free bacon and other cured meat products as long as the products are labeled "Uncured" and the phrase "Not Preserved—Keep Refrigerated Below 40F at All Times" appears on the label.

Houston also said that the new rule deals only with bacon because the nitrosamine problem appears to be limited to bacon, with most other nitrite-cured products being free of nitrosamines when cooked in their normal manner.

In answer to concerns raised about the effectiveness of lactic-acid starter cultures, Houston said that in studies in which that type of bacon was made under commercial conditions, lactic acid made by the bacteria blocked the production of botulism-causing toxins when the bacon was temperature abused (left unrefrigerated for extended periods.)

Two comments suggested that the new starter-culture method be tried for nitrite-free bacon. Houston said that, based on laboratory data, USDA believes the process is promising, and encourages the industry to examine the commercial viability of such a product, which was initially thought to lack commercial potential.

The new rule, which is scheduled to appear in the June 16 Federal Register, applies only to pumped bacon—the most common type produced—not to dry-cured bacon.

In response to another NAS recommendation that bacon be made with alpha-tocopherol (vitamin E) to inhibit nitrosamine formation, USDA published a rule on July 5, 1985, permitting the vitamin's use in bacon.

The use of nitrites in bacon is regulated by the Food Safety and

Inspection Service, the USDA agency responsible for the inspection of meat products to ensure they are safe, wholesome and accurately labeled.

Hedy Ohringer (202) 447-9113

#

CCC REJECTS ALL OFFERS OF BEEF CARCASSES FOR BRAZIL

WASHINGTON, June 13—The U.S. Department of Agriculture's Commodity Credit Corporation has rejected all offers of frozen beef carcasses for export to Brazil because of price considerations.

USDA officials said they were disappointed in the initial response to the purchase program. CCC received offers for only 800,000 pounds of cow carcasses at prices ranging from \$0.8150 to \$1.0750 per pound, and 3.9 million pounds of steer and heifer carcasses at prices ranging from \$0.8750 to \$1.15 per pound.

Under provision of the 1985 Food Security Act, USDA is required to purchase 400 million pounds of red meat—200 million pounds of which must be exported—to mitigate the effects on wholesale meat markets of increased slaughter of dairy cattle under the dairy termination program. On May 14, USDA announced an agreement to sell 90,000 metric tons (198,414,000 pounds) of carcass beef to Brazil.

Packers interested in participating in the program are encouraged to contact the Contracting Officer, Livestock and Seed Division, AMS, USDA, Washington, D.C. 20250; telephone (202) 447-2650. Plants intending to bid must be approved by the Brazilian Ministry of Agriculture. Requests for review must be made before June 27. The next bids on beef carcasses are due on Tuesday, June 24.

David Nutter (202) 447-6179

#

HONEY PRODUCERS, IMPORTERS APPROVE RESEARCH AND PROMOTION ORDER

WASHINGTON, June 16—Honey producers and importers have voted to adopt a federal research, promotion and consumer information order, a U.S. Department of Agriculture official announced today.

Joseph A. Gribbin, an official with USDA's Agricultural Marketing Service, said that in a referendum conducted in May, 87.5 percent of honey producers and importers voted for the order. The producers and importers voting in the referendum accounted for 37.5 percent of the total volume of honey produced or imported into the United States in 1984.

The order, authorized by the Honey Research, Promotion and Consumer Information Act of 1984, allows for the establishment of projects relating to the research, promotion and consumer education of honey and honey products. Funds to administer the program will be derived from assessments on producers and importers of honey. Only those producers or importers who produce or import 6,000 pounds or more annually would pay into the program. The assessment will be one cent per pound for the first year and could not be increased more than one-half cent per year thereafter. The maximum assessment cannot exceed four cents per pound. A producer or importer who does not wish to support the program can obtain a refund upon written request.

The Honey Board, a 13-member group of honey producers, packers, importers and a public representative appointed by the secretary of agriculture, would administer the program. A majority of the board members would be domestic honey producers. Their responsibility would include recommendation of research, promotion and consumer education projects for approval by the secretary.

For the order to be issued, USDA requires that it be approved by at least two-thirds of the producers and importers voting, or by a majority of the voting producers and importers, if that majority also accounted for at least two-thirds of the volume of honey produced and imported during the specified period.

David Nutter (202) 447-6179

#

USDA PROPOSES MODIFYING CROP AND LIVESTOCK SURVEY PROGRAM

WASHINGTON, June 17—The U.S. Department of Agriculture's National Agricultural Statistics Service (formerly the Statistical Reporting Service) has proposed changes for several of its major surveys.

William E. Kibler, NASS administrator, said the agency intends to conduct quarterly probability surveys to collect data for estimates of

cattle, hogs, sheep, on-farm grain stocks, crop acreages and end-of-season crop production. The approach would eliminate four separate surveys, he said, and thus save money and reduce the number of times farmers are contacted.

Kibler also said the switch to probability surveys would improve the estimates for crops compared with the present system in which data are collected by voluntary mail surveys. Livestock estimates already rely on probability surveys.

Kibler said the move to a new survey program was recommended by the Economics and Statistics Review Panel in 1985. Under the new program, he said, livestock and crop information would be collected between the 1st and 15th of March, June, September and December, and usually released by the end of the month. Currently, much of the data are gathered earlier than the first-of-the-month reference date. This means that changes in producers' marketing, planting and breeding plans are not always accurately reflected in the estimates issued for the reference date.

The new program would base planted and harvested crop acreage and final production estimates on a probability survey for the 48 contiguous states. Also, the estimate of planted acreage issued in early July would reflect more land actually planted and less of farmers' planting intentions because information would be gathered later in the planting season.

Cattle, hog and sheep information would be collected in a uniform two-week survey period following the first of the month rather than in two separate surveys over two months. Kibler said this change would mean fewer errors would be introduced in the data collection process and the subsequent estimates would be substantially improved.

The new quarterly series would permit reporting preliminary national and state estimates of acreage, yield and production of small grains in October instead of December.

Also, the cattle inventory and the preliminary calf crop estimates planned for July also would include estimates for states instead of only the national level.

For survey purposes, estimates of the annual calf crop would be based on a December-November reporting period, while lamb crop estimates would continue on the current October-September base with October and November lambs defined as "new crop."

Kibler said NASS has tested the new survey procedure for two years to determine proper questionnaire design and sampling procedures. Additional evaluation work was done this June, he said, with further evaluations planned for December.

Kibler said that while the proposal is the optimum way to minimize survey costs and farmers' reporting burdens, his agency is considering an alternative approach to address concerns raised by the cattle and sheep industry about shifting to a Dec. 1 reference date from the current Jan. 1. The industry has indicated a reluctance to alter long-held data series and analytical methods to accommodate the new data collection reference date.

Kibler said NASS could collect basic cattle and sheep data in the proposed December quarterly survey and then update the findings with a special survey of operators between Jan. 1-15. The calendar year calf crop and new crop lambs would be estimated by collecting data for December births in the follow-on survey. This approach emphasizes the survey reference date of Jan. 1. To do this, he said, all the midyear cattle inventory and calf crop estimates would be eliminated and the funds allocated for the additional January survey. Under this plan, the sheep inventory and lamb crop estimates would be issued Jan. 29, 1988, and the cattle inventory and calf crop estimates on Feb. 2, 1988.

Comments and questions on the proposed new survey schedule are invited and may be sent by July 14 to Richard D. Allen, Director, Estimates Division, NASS/USDA, Room 5847-S, Washington, D.C. 20250.

NASS Proposed Combined Survey Program

Survey Reference Date	Survey Topic	Proposed Release Dates
March 1, 1987	Hogs and pigs inventory	March 30, 1987
	On-farm grain stocks	March 30, 1987
	Acreage planting intentions	March 30, 1987
June 1, 1987	Hogs and pigs inventory	June 29, 1987
	On-farm grain stocks	June 29, 1987
	Planted acreage	July 9, 1987
	Cattle inventory	July 9, 1987
Sept. 1, 1987	Hogs and pigs inventory	Sept. 29, 1987
	On-farm grain stocks	Sept. 29, 1987
	Small grains production, annual summary	Oct. 9, 1987
Dec. 1, 1987	Hogs and pigs inventory	Jan. 5, 1988
	Sheep inventory	Jan. 12, 1988
	On-farm grain stocks	Jan. 14, 1988
	Crop production, annual summary	Jan. 14, 1988
	Winter wheat seedings	Jan. 14, 1988
	Cattle inventory	Jan. 15, 1988

Kent Miller (202) 786-1494

#

USDA LIFTS ORIENTAL FRUIT FLY QUARANTINE IN CALIFORNIA

WASHINGTON, June 17—Fresh fruits and vegetables can again be moved interstate from areas of California's Los Angeles, Orange and Santa Clara Counties that have been quarantined since last fall to prevent the spread of the oriental fruit fly.

"This extremely destructive fruit and vegetable pest has now been eradicated from California as a result of a joint state-federal effort," said

Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service. "There is now no evidence of its presence anywhere in the contiguous United States."

USDA officials imposed the quarantine after oriental fruit fly adults and larvae were found in mainly residential areas in the three counties. The regulations restricted the movement out of these areas of about 100 kinds of fruits, vegetables and nuts—all potential fruit fly hosts. The movement of soil was also restricted because it could contain life stages of the pest.

"Our determination that the oriental fruit fly has been eradicated is based on extensive trapping surveys," Hawkins said. "No flies or other evidence of infestation have been found since Jan. 15, and that's sufficient time to conclude the infestation is over."

This action was effective June 14. A notice will be published in the Federal Register June 19. Written comments may be submitted until Aug. 18 to Regulatory Coordination Staff, Animal and Plant Health Inspection Service, U.S. Department of Agriculture, Room 728, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782.

Lynn Quarles (202) 436-7776

#

CHRISTOPHER HICKS NEW USDA GENERAL COUNSEL

WASHINGTON, June 17—Christopher Hicks was sworn in yesterday as general counsel for the U.S. Department of Agriculture.

Since February 1985, Hicks has served as deputy assistant to the president for administration and as director of the White House Office of Administration. He has also served as executive assistant to the secretary of the Department of the Treasury, as executive secretary for that agency, as associate director of the Office of Presidential Personnel at the White House, and as associate counsel in the Office of the Counsel to the President.

Hicks, 35, was a trial attorney in Houston, Texas, before assuming duties for the Reagan administration. He holds a J.D. from Southern Methodist University and a bachelor of arts degree from Colorado College. He resides in Maryland with his wife and their two children.

Hicks replaces Daniel Oliver, who resigned as USDA general counsel to become chairman of the Federal Trade Commission.

Arthur Whitmore (202) 447-4026

#

ISRAEL AND JORDAN ELIGIBLE FOR BARLEY PURCHASES

WASHINGTON, June 17—Acting Secretary of Agriculture Peter C. Myers today announced that Israel and Jordan are eligible to purchase a total of 260,000 tons of U.S. barley under the Export Enhancement Program. As with previous announcements under this program, sales of U.S. barley will be made to buyers in these countries at competitive world prices.

Myers said these initiatives will give U.S. exporters the opportunity to sell up to 200,000 tons of barley to Israel and up to 60,000 tons to Jordan. The export sales will be subsidized with commodities from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in these markets in response to future tenders for barley.

These two offers bring the number of initiatives announced under the Export Enhancement Program to 36.

Details of the program and invitations for offers from exporters will be mailed to exporters by June 19. For further information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3448

#

EGYPT ELIGIBLE FOR MORE FROZEN POULTRY UNDER EXPORT ENHANCEMENT PROGRAM

WASHINGTON, June 18—Acting Secretary of Agriculture Peter C. Myers today announced an additional opportunity for U.S. sales of frozen poultry to Egypt under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of frozen poultry will be made to buyers in Egypt at competitive world prices.

Myers said this initiative will give U.S. exporters the opportunity to sell an additional 5,000 tons of whole frozen broilers or fryers. The export sales will be subsidized with corn and soybeans from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Egyptian market in response to future tenders for frozen poultry.

Under a previous initiative, Egypt purchased 23,000 tons of frozen poultry.

Details of the program and invitations for offers from exporters will be issued in the near future. For further information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3448

#

USDA ANNOUNCES WEEKLY CATTLE SLAUGHTER, MEAT PURCHASES AND EXPORTS OF CATTLE UNDER THE DAIRY TERMINATION PROGRAM

WASHINGTON, June 18—An estimated 24,900 head of dairy cattle were slaughtered in federally-inspected plants during the week ending May 31, as a result of the Dairy Termination Program, the U.S. Department of Agriculture announced today.

This total includes all cows, heifers and calves identified as dairy animals designated for disposition in compliance with the program requirements.

The cumulative total of cattle slaughtered under the program from April 1 through May 31 is an estimated 422,800 head.

The purchases of meat in addition to normal purchases are to help offset the effects of the DTP on the domestic meat market. These purchases, which totaled 15,957,760 pounds during the week ending June 14, consisted of 2,521,260 pounds of canned beef and 13,436,500 pounds of frozen bulk ground beef. The cumulative purchases total 136,834,588 pounds.

Dairy cattle reported for export under the program for the period April 1 through June 14 totaled an estimated 10,213 head. Live cattle exported under the program are expected to increase as countries develop tenders to participate in the export enhancement programs. Live cattle exports are in addition to meat-purchase requirements.

The following table will be updated and released each Wednesday.

**Cattle Slaughtered, Meat Purchased and Cattle
Exported under the Dairy Termination Program¹**

Week Ending (1986)	Cattle Slaughtered (Number)	Planned Meat Purchases (Pounds)	Meat Purchased (Pounds)	Cattle Reported for Export ² (Number)
April 19			5,762,880	
26	259,700 ³		16,046,016	
May 3	36,300		17,530,200	2,000
10	36,900		18,929,804	-
17	33,500		10,729,480	-
24	31,500		10,274,308	1,788
31	24,900	122,400,000 ⁴	11,724,688	2,744
June 7			29,879,452 ⁴	1,709
14			15,957,760	1,972
21				
28				
Cumulative Total	422,800	122,400,000 ⁴	136,834,588	10,213

¹Includes all cows, heifers and calves under the DTP.

²Preliminary data, subject to revision.

³Estimated for April 1 - April 26.

⁴Thru May 31.

Bruce Merkle (202) 447-6787

#

USDA Program Announcement

U.S. Department of Agriculture • Office of Information

USDA ISSUES FINAL RULE FOR PEELED POTATOES

The U.S. Department of Agriculture has issued a final rule revising the voluntary U.S. grade standards for peeled potatoes. The new rule, which becomes effective Aug. 11, will improve the grade standards and promote orderly and efficient marketing of peeled potatoes.

The final rule will delete the reference to sulfur dioxide in the product description, but retain the reference to the treatment used to prevent discoloration.

The revised standards also will replace the dual grade nomenclature with single, letter grade designations.

AMS establishes grade standards and provides official grading for many agricultural products. Use of the standards and the grading service is voluntary and paid for by the user.

The final rule was published in the June 11 Federal Register. Copies may also be obtained from the Docket Clerk, Fruit and Vegetable Division, AMS, USDA, Room 2069-S, Washington, D.C. 20250.

David Nutter (202) 447-6179

#

USDA ISSUES PEANUT LOAN AND HANDLER INTERIM REGULATIONS, REQUESTS COMMENTS

Peanut contracts between producers and handlers for delivery of additional peanuts—peanuts grown for export or crushing—will be required to contain final price and stipulate that the contracted peanuts cannot be used for domestic edible use, according to Milton J. Hertz,

acting administrator of the Agricultural Stabilization and Conservation Service.

This was among provisions the U.S. Department of Agriculture announced today for peanut warehouse storage loans and handler operations for the 1986-90 crops.

Many of the provisions for the 1982-85 crops were retained for the 1986-90 crops, Hertz said, but there were a few changes.

Some of the changes follow:

- Handlers must receive approval from USDA's Commodity Credit Corporation for adequate financial guarantees, facilities and assets before their contracts with producers can be approved.

- All handlers must post a letter of credit equal to the difference between the quota and additional loan rates, \$457.72 for 1986, on 10 percent of the estimated pounds contracted. The letter of credit will then be adjusted to represent the pounds actually contracted by each handler electing physical supervision before contracts can be approved. Handlers electing non-physical supervision are required to adjust the letter of credit to represent 25 percent of the pounds contracted and may be required to make other upward changes in the letter of credit amount depending upon the contracted pounds delivered and crushed or exported.

- The penalty rate for handlers has been increased to 140 percent of the quota support rate applicable for the type of peanuts involved in a penalty assessment. In addition, importers who reimport additional peanuts or peanut products made from additional peanuts are subject to the 140 percent penalty.

- CCC modified the rules that govern adjustments to and distribution of money in area marketing pools. As far as possible within a marketing area, gains in the peanut pools that show profit will be used to offset losses in pools that lose money. If an area shows losses after offsets, profits from other marketing areas will be used to offset losses.

Individuals may submit written comments on the interim rules to: Director, Tobacco and Peanuts Division, USDA-ASCS, P.O. Box 2415, Washington, DC 20013. Comments will be available for public inspection in Room 5750-S of USDA's South Building during business hours.

#

USDA PROPOSES 1986-CROP DIFFERENTIALS AND ASKS FOR COMMENTS

The proposed price-support differentials for the U.S. Department of Agriculture's 1986 peanut program will continue the same relationship between types as used in last year's program, said Milton J. Hertz, acting administrator of USDA's Agricultural Stabilization and Conservation Service.

Differentials adjust price-support levels for types of peanuts, their quality, location and other factors. The 1986 differentials are based on national average quota-support level of \$607.47 a ton.

The proposed price-support levels for the 1986 peanut program vary between \$579.85 a ton for Spanish peanuts, \$608.72 for Virginia and Valencia peanuts, and \$610.93 for Runner peanuts.

Details about differentials proposed for 1986 will appear in the June Federal Register.

USDA's Commodity Credit Corporation invites written comments on the proposed 1986 differentials. The deadline for comments is July 2.

Send written comments to: Director, Tobacco and Peanuts Division, ASCS/USDA, P.O. Box 2415, Washington, D.C. 20013. Comments will be available for public inspection from 8:15 a.m. to 4:45 p.m., workdays, in Rm. 5750-S, USDA's south building.

John C. Ryan (202) 447-67

#

USDA REVISES 1986 FLUE-CURED TOBACCO MARKETING QUOTA, ACREAGE ALLOTMENT

The U.S. Department of Agriculture today announced minor technical revisions to the 1986 flue-cured tobacco national marketing quota and acreage allotment.

Milton J. Hertz, acting administrator of the Agricultural Stabilization and Conservation Service said the 727-million-pound flue-cured marketing quota announced April 25 was based on the sum of the 1985 farm marketing quotas (773.6 million pounds) rather than on the national marketing quota established for 1985 (775 million pounds). However, Agricultural Adjustment Act of 1938, as amended, provides that the minimum flue-cured national marketing quota for 1986 shall be not less

than 94 percent of the national marketing quota established for the preceding year. Therefore, the 1986 national marketing quota is 728.5 million pounds, which is 94 percent of the 775-million-pound marketing quota established for the 1985 crop of flue-cured tobacco.

He said the national acreage allotment is changed to 366,264 acres, up from 365,510 acres announced earlier.

Hertz said the changes announced today had already been taken into consideration and producers notified in establishing 1986 individual farm marketing quotas and acreage allotments.

Robert Feist (202) 447-6789

#



986/26



United States
Department of
Agriculture

Office of
Information

Selected Speeches and News Releases

June 19, - June 26, 1986

News Releases—

USDA Raises Fees for Cotton Classing Services

USDA Publishes Proposed Changes to "Clear Title" Rules

USDA Changes Peanut Program

USDA Proposes to Regulate Genetically Engineered Plant Pests

Egypt Eligible for More Wheat Under Export Enhancement Program

Public Meeting on Pesticide-Treated Seed to be Held at USDA

USDA Announces Targeted Export Promotion Program for Florida Citrus

USDA Announces Prevailing World Market Rice Prices

USDA Announces Targeted Export Promotion Program in Algeria

Yugoslavia, Jordan Eligible for More Wheat Under Export Enhancement Program

USDA Issues Rules for Highly Erodible Land and Converted Wetlands

USDA Announces Weekly Cattle Slaughter, Meat Purchases and Exports of Cattle Under the Dairy Termination Program

Montana is First State to Submit "Clear Title" Proposal to USDA

Backgrounders—

USDA Policy on Research and Regulation of Biotechnology Processes and Products

Highly Erodible Land and Wetland Conservation Provisions of the Food Security Act of 1985

NEWARK PUBLIC LIBRARY

JUL 24 1986

U. S. GOVT. PUBS.
DEPOSITORY 376

A21.24/2:

Program Announcements—

USDA Establishes Interim Wheat Classing Procedures - June 20, 1986

USDA to Revise American Upland Cotton Standards - June 25, 1986

News Releases

U.S. Department of Agriculture • Office of Information

USDA RAISES FEES FOR COTTON CLASSING SERVICES

WASHINGTON, June 19—The U.S. Department of Agriculture has issued a final rule raising the fees charged for cotton classing and other services, a department official announced today.

Jesse F. Moore, an official with USDA's Agricultural Marketing Service, said the fee increase, effective July 1, is needed because the projected 1986 cotton acreage indicates a smaller crop.

"Since there are substantial fixed costs in a classing operation," said Moore, "a smaller crop directly affects the per bale classing costs."

Fees charged producers for classing cotton are being increased to \$1.08 per bale for the 1986 crop, up from \$1.05. An additional fee for optional High Volume Instrument classing will be raised to 50-cents per bale and added to the fee of \$1.08 for manual classification. A discount of five-cents per bale where fees are centrally billed through voluntary agents will continue in effect.

USDA is also raising its fees to cover increased costs for other cotton classing services, cotton linters grading and the supervision of cottonseed grading. In addition, fees will be raised for cotton standards cotton linters standards, and calibration cotton standards.

Notice of the final rule is scheduled to be published today in the Federal Register. Copies may also be obtained from John J. Korbol, Cotton Division, AMS, USDA, Washington, D.C. 20250; telephone (202) 447-2259.

David Nutter (202) 447-8998

#

USDA PUBLISHES PROPOSED CHANGES TO "CLEAR TITLE" RULES

WASHINGTON, June 19—The U.S. Department of Agriculture today proposed changes in rules adopted to implement provisions of the 1985 Food Security Act, which, beginning Dec. 24, will allow purchasers to

take clear title to farm products unless they are notified of an existing lien.

Each state decides for itself whether to establish a notification system. However, unless lenders notify potential buyers or states develop a central notification system, buyers would take clear title to farm products even though a lien exists, just as with other products under provisions of the Uniform Commercial Code.

B.H. (Bill) Jones, head of USDA's Packers and Stockyards Administration, said the changes were proposed in response to suggestions from state officials, lenders, trade associations and those involved in marketing farm products.

Jones said one key change would permit states to develop a master list in which farm products under lien would be identified only by state and county or parish where the product is produced. Jones said this would simplify the system and help reduce costs.

"Though products do get moved across state lines it seems both effective and consistent with the legislative intent to arrange the master list in this manner," Jones said. "Individual states may still elect to include adjoining counties in their master list to fit their own special situation."

Another change would permit distribution of a master list of farm products under lien to subscribers by microfilming or by electronic information systems, if the information is also made available in printed form. The master list would be advisory rather than regulatory.

The proposed changes are scheduled to be published in the June 23 Federal Register.

Comments must be received by July 23. Send written comments to the Office of the Administrator, Room 3039 South Building, P&SA/USDA, Washington, D.C. 20250. Comments may also be sent electronically, via Dialcom to DAG540, or via Telemail to BHJones. For additional information, call: (202) 447-7063

Al Sylvester (202) 382-9528

#

USDA CHANGES PEANUT PROGRAM

WASHINGTON, June 19—Because many peanut producers may not know the poundage of their 1986 peanut quotas prior to planting, they

will receive credit for producing full 1986 quotas, according to Milton J. Hertz, acting administrator of the Agricultural Stabilization and Conservation Service.

Hertz said the final rules for the 1986 program are late, and individual farm quotas have not been determined. "Some farmers may not plant their quotas, but they will receive credit for full quota," said Hertz.

Except for minor changes, the following rules are the same as the U.S. Department of Agriculture-proposed rules published in the April 1 Federal Register:

- The farm poundage quota for the 1986-crop will be allowed full credit even if the the quota is not fully met. Credit will also be allowed for 1985-crop peanuts if the quota is transferred to a farm by sale or permanent owner by the 1986-crop year.

- Additional time will be allowed for producers to sell or to transact other quota transfer agreements for the 1986-crop. Normally farmers transfer quotas by June 15, and the 1986 rules will see publication after traditional planting dates in some states. USDA will establish the final date for transfers.

- To avoid hardship for peanut farmers during the 1986 marketing year, USDA will not reduce initial farm poundage quotas on farms, if quota loss would result from lease and production on another farm by a different operator during the 1983-85 farm years.

The changes are scheduled to be published in the June 20 Federal Register.

John C. Ryan (202) 447-6788

#

USDA PROPOSES TO REGULATE GENETICALLY ENGINEERED PLANT PESTS

WASHINGTON, June 20—The U.S. Department of Agriculture is proposing to establish regulations governing the importation, interstate movement and release into the environment of genetically engineered organisms or products that are either plant pests or believed to be plant pests. The proposed regulations would set up a permit system under which such products or organisms could be safely moved or imported.

According to Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service, public hearings will be held on the

proposed regulations in Sacramento, Calif., on July 29 and in Washington, D.C., on Aug. 5.

"USDA's mandate is to protect and enhance agriculture in this country," Hawkins said. "We are confident that organisms altered or produced through genetic engineering will play a major role in increasing plant yields and improving quality. However, they may also present a risk of introducing new plant pests, so these regulations are needed to prevent the introduction or establishment of such plant pests in the United States.

"During the past 10 years there has been a dramatic increase in biotechnology research and product development," Hawkins said. "There is also a growing domestic and international trade in genetically engineered organisms. We anticipate that products developed by modern biotechnology will not differ fundamentally from conventional products. Our proposed regulations would minimize the chance of introducing genetically engineered plant diseases and pests into the United States. At the same time, we would not regulate a genetically engineered organism or product merely because of the process by which it was produced."

The proposed regulations would list known pest groups. If the donor, recipient or vector of a genetically engineered organism or product comes from a known pest group, it would be deemed a regulated article and would require a permit before it could be brought into the United States, moved across state lines or released into the environment.

The permit application would have to be submitted at least 180 days in advance of the proposed movement and would require submission of data needed for USDA to assess the risk to agriculture in the United States. This data would include detailed information on how the regulated article was produced; the intended destination and distribution of the regulated article; the safeguards used to prevent accidental escape; and the final disposition of the regulated article. Container requirements are specified in the proposed regulation to ensure that regulated items do not inadvertently escape during movement.

Most of the required information about the organism and the way it was altered or produced should be available from documents pertaining to the research and development of the regulated article, so a person seeking a permit should not have to generate any new data, but rather would submit existing data to USDA.

If a permit is denied, the applicant would be promptly informed and told the reason why. If granted, the permit would specify the conditions

for importing or moving the regulated article.

The proposed regulations also provide for issuance of "certificates of exemption" for introduction of organisms that have been modified through genetic engineering, but which are not subject to the regulations. This could be used to facilitate easy introduction of the organism.

In certain instances, genetically engineered micro-organisms would be subject both to USDA regulations and regulations of the Environmental Protection Agency. In such instances, both USDA and EPA would appoint contact persons to coordinate the reviews and make sure that requests for data are not duplicated.

Both public hearings will begin at 9:30 a.m. and are scheduled to end at 5 p.m., local time. The Sacramento hearing will be in the Yuba Room of the Sacramento Convention Center, 1100 14th St.; the Washington hearing at the Jefferson Auditorium in the South Agriculture Building, 14th and Independence Ave., S.W.

The proposed regulations are scheduled for publication at a later date in the Federal Register. Written comments on the proposal may be sent to Dr. James W. Glosser, Associate Administrator, APHIS, USDA, Room 313E, Administration Bldg., Washington, D.C. 20250.

Larry Mark (202) 436-7799

#

EGYPT ELIGIBLE FOR MORE WHEAT UNDER EXPORT ENHANCEMENT PROGRAM

WASHINGTON, June 20—Acting Secretary of Agriculture Peter C. Myers today announced an additional opportunity for U.S. wheat sales to Egypt under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of wheat will be made to buyers in Egypt at competitive world prices.

Myers said this initiative will give U.S. exporters the opportunity to sell an additional 500,000 metric tons of wheat. The export sales will be subsidized with commodities from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Egyptian market in response to future tenders for wheat.

Two initiatives to Egypt for wheat were announced last year, Myers said. Egypt purchased 1 million tons under those initiatives.

Invitations for offers from exporters will be issued in the near future. For further information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3448

#

PUBLIC MEETING ON PESTICIDE-TREATED SEED TO BE HELD AT USDA

WASHINGTON, June 23—The U.S. Department of Agriculture, the Food and Drug Administration and the Environmental Protection Agency will hold an information-gathering meeting Thursday, July 10, on the use of pesticide-treated seed in animal feed.

The meeting, which will be open to the public, will be held from 9:30 a.m. to 12:00 noon in Room 104-A of USDA's Administration Building, 14th and Independence Avenue, S.W., Washington, D.C.

"Preliminary information indicates that diversion of treated seed into animal feed—accidentally or by unscrupulous operators—may be a pattern rather than a rare occurrence," according to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service. "From this meeting, we hope to assess the scope of the problem and to gather suggestions on how industry and government can cooperate to break any pattern."

Houston said meat and milk in Arkansas and surrounding states were contaminated with heptachlor this past spring because some animals ate feed containing seed treated with the pesticide. He said the heptachlor incident stimulated FDA, EPA and USDA to study the potential for further incidents.

"Until the heptachlor contamination, we believed producers understood the importance of not using treated seed in feed," Houston said. "USDA's Cooperative Extension Service has since alerted its state directors to remind producers to avoid feeding treated seed to their animals and to buy from reputable feed dealers. Seed industry groups have also begun to re-educate their members. Such efforts should do much to prevent accidental diversion of treated seed into the food chain."

Seed intended for planting is often treated with a pesticide, a fungicide or both. Because of the potential for contaminating the food supply, it is illegal to use treated seed for animal feed—with the exception of captan-

treated seed corn that has been properly detreated. Treated seed is usually dyed pink or another color to signify that it should not be used for feed or food.

Notice of the meeting is scheduled to be published June 25 in the Federal Register. Comments may be submitted before or after the meeting to: Annie Johnson, FSIS Hearing Clerk, Room 3803, South Agriculture Bldg., Washington, D.C. 20250.

Sharin Sachs (202) 447-9113

#

USDA ANNOUNCES TARGETED EXPORT PROMOTION PROGRAM FOR FLORIDA CITRUS

WASHINGTON, June 23—Melvin E. Sims, General Sales Manager of the U.S. Department of Agriculture, today announced a \$4.6 million export promotion program for fresh and processed citrus produced in Florida. Promotional activities will be targeted at expanding exports to Western Europe and the Pacific Rim.

Sims said the program is intended to help counter the adverse effects on U.S. exports from the trade policies of the European Community, Japan and Korea. The EC pays export subsidies to its own citrus producers while charging tariffs on U.S. citrus, Sims explained. Both Japan and Korea restrict imports of fresh oranges, with Korea also restricting imports of citrus juices.

The export assistance will be used for generic advertising during the 1986/87 marketing year. Fresh citrus will be promoted in the Netherlands, West Germany, France, Japan, Korea, Hong Kong, Taiwan and Singapore, while grapefruit juice will be promoted in Japan. The objective, Sims said, is to expand consumer awareness and exports of Florida citrus.

Promotional activities will be carried out cooperatively by the U.S. Department of Agriculture's Foreign Agricultural Service and the Florida Department of Citrus, an organization which represents all citrus producers in Florida and works with FAS in market development activities.

In 1984/85, the Pacific Rim region purchased 67 percent and Western Europe about 8 percent of U.S. fresh citrus exports, which had a total value of \$426 million. Japan was the leading market for frozen grapefruit

juice, importing half of the \$19 million exported by the United States in 1984/85.

The export assistance program will be administered by FAS in accordance with the Food Security Act of 1985.

Sally Klusaritz (202) 447-3448

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, June 24—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market prices of rice, loan rate basis, as follows:

- long grain whole kernels, 5.78 cents per pound;
- medium grain whole kernels, 4.79 cents per pound;
- short grain whole kernels, 4.79 cents per pound;
- broken kernels, 2.89 cents per pound.

Based on the world prices announced today, the per hundredweight repayment rates for 1985-crop farm-stored loans are \$3.51 for long grain rice, \$2.98 for medium grain rice, and \$2.98 for short grain rice.

The prices announced today are effective at 3:00 p.m. EDT. The next scheduled price announcement will be made July 1 at 3:00 p.m. EDT, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

#

USDA ANNOUNCES TARGETED EXPORT PROMOTION PROGRAM IN ALGERIA

WASHINGTON, June 24—Acting Secretary of Agriculture Peter C. Myers today announced plans to carry out a three-year, \$9 million export market promotion program for U.S. feed grains, soybean meal and dairy cattle to Algeria. The goal of the program is to expand exports of these products through the development of livestock and poultry production in Algeria.

Myers said the the program is needed to help counter or offset the adverse effects on U.S. exports from the European Community. EC

countries, which use substantial export subsidies, are Algeria's main suppliers of livestock products, particularly eggs and dairy products. These imports have slowed growth in Algeria's own livestock and poultry industries, Myers said, and reduced its need for feed grains, soybean meal and dairy cattle.

Promotional activities will be carried out cooperatively by the U.S. Department of Agriculture's Foreign Agricultural Service and three FAS cooperators—the U.S. Feed Grains Council, American Soybean Association and the Holstein-Friesian Association of America.

The export assistance will be used to build model beef, dairy, poultry and sheep farms; a feedmill; and a slaughter plant. The Algerian Ministry of Agriculture will provide land, labor, building materials and basic equipment for the models. The three U.S. cooperators will provide the designs, specialized equipment, project management and technical support.

The export assistance program will be administered by FAS in accordance with the Food Security Act of 1985.

Sally Klusaritz (202) 447-3448

#

YUGOSLAVIA, JORDAN ELIGIBLE FOR MORE WHEAT UNDER EXPORT ENHANCEMENT PROGRAM

WASHINGTON, June 24—Deputy Secretary of Agriculture Peter C. Myers today announced that Yugoslavia and Jordan are eligible to purchase an additional 275,000 tons of U.S. wheat under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of wheat will be made to buyers in these countries at competitive world prices.

Myers said these initiatives will give U.S. exporters the opportunity to sell up to 200,000 tons of wheat to Yugoslavia and up to 75,000 tons to Jordan. The export sales will be subsidized with wheat from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in these markets in response to future tenders for wheat.

Under previous initiatives, Yugoslavia purchased 200,000 tons and Jordan 75,000 tons of wheat.

For further information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3448

#

USDA ISSUES RULES FOR HIGHLY ERODIBLE LAND AND CONVERTED WETLANDS

WASHINGTON, June 25—The U.S. Department of Agriculture announced interim rules today to implement sections of the 1985 Farm Bill designed to remove inconsistencies between soil conservation goals and traditional farm commodity program benefits.

Effective immediately, producers who fail to meet the interim rules will not be eligible for commodity price support and other program payments, disaster payments, crop insurance under the Farm Crop Insurance Act, FmHA loans, farm storage facility loans and other farm program benefits.

USDA's action is designed to reduce soil loss due to wind and water erosion; protect the nation's long-term capability to produce food and fiber; reduce sedimentation and improve water quality; assist in preserving the nation's wetlands; and lessen the incentives to produce agricultural commodities on highly erodible farmland.

With regard to highly erodible land, farmers will have a grace period to implement a conservation plan on land that was cultivated in any of the years 1981-1985. Many will be able to develop and apply a conservation plan that will allow them to plant highly erodible land to grasses or trees either on their own or in conjunction with the Conservation Reserve Program.

Before Jan. 1, 1990, or, until two years after USDA's Soil Conservation Service prepares soil maps for a particular area, producers will not lose eligibility under the highly erodible land conservation provisions for farm program benefits as the result of production of an agricultural commodity on highly erodible land that was: (a) cultivated to produce any of the 1981 through 1985 crops of an agricultural commodity; or (b) set-aside, diverted or otherwise not cultivated under a program administered by the secretary of agriculture for any such crops to reduce production of an agricultural commodity. These exemptions allow affected persons to continue the production of agricultural

commodities on highly erodible land through Jan. 1, 1990 (or until two years after the Soil Conservation Service maps the land) without having to actively apply a conservation plan to retain program eligibility.

The provisions of the Food Security Act of 1985 which today's interim rule implement are commonly referred to as conservation-compliance, sodbuster and swampbuster provisions. Sodbuster provisions apply to any highly erodible land cultivated for crop production since Dec. 23, 1985. Swampbuster provisions apply to the conversion of wetlands after Dec. 23, 1985, for the purpose of producing agricultural commodities.

However, farmers who cultivated highly erodible land or converted wetlands after Dec. 23, 1985, and planted a crop before the date the interim rule is published will remain eligible for USDA program benefits for the 1986 crop year. To retain eligibility for subsequent crop years, however, the farmer must apply an approved conservation system on the highly erodible land. With regard to wetlands converted after Dec. 23, 1985, the farmer cannot, except under limited circumstances, produce agricultural commodities on such lands after the date of publication of the interim rule and retain eligibility for farm program benefits.

Additional details of the interim rule will be published in the June 27 Federal Register. The interim rule will provide for a 60-day comment period. The public may comment on the interim rule by writing the Director, Cotton, Grain and Rice Price Support Division, ASCS-USDA, Box 2415, Washington DC 20013.

There are an estimated 345 million acres of highly erodible agricultural land in the United States, of which 118 million acres are existing cropland and 5 million acres are wetlands with a medium-to-high potential for conversion to agricultural use.

Bruce Merkle (202) 447-6787

#

USDA ANNOUNCES WEEKLY CATTLE SLAUGHTER, MEAT PURCHASES AND EXPORTS OF CATTLE UNDER THE DAIRY TERMINATION PROGRAM

WASHINGTON, June 25—An estimated 24,200 head of dairy cattle were slaughtered in federally inspected plants during the week ending June 2, 1986, as a result of the Dairy Termination Program, the U.S. Department of Agriculture announced today.

This total includes all cows, heifers and calves identified as dairy animals designated for disposition in compliance with the program requirements.

The cumulative total of cattle slaughtered under the program from April 1 through June 2 is an estimated 447,000 head.

The purchases of meat in addition to normal purchases are to help offset the effects of the DTF on the domestic meat market. These purchases, which totaled 11,884,264 pounds during the week ending June 21, consisted of 3,529,764 pounds of canned beef and 8,354,500 pounds of frozen bulk ground beef. The cumulative purchases total 148,718,852 pounds.

Dairy cattle reported for export under the program for the period April 1 through June 21 totaled an estimated 11,675 head. Live cattle exported under the program are expected to increase as countries develop tenders to participate in the export enhancement programs. Live cattle exports are in addition to meat-purchase requirements.

The following table will be updated and released each Wednesday.

Cattle Slaughtered, Meat Purchased and Cattle Exported under the Dairy Termination Program¹

Week Ending (1986)	Cattle Slaughtered (Number)	Planned Meat Purchases (Pounds)	Meat Purchased (Pounds)	Cattle Reported for Export ² (Number)
April 19			5,762,880	
26	259,700 ³		16,046,016	
May 3	36,300		17,530,200	2,000
10	36,900		18,929,804	-
17	33,500		10,729,480	-
24	31,500		10,274,308	1,788
31	24,900	122,400,000 ⁴	11,724,688	2,744
June 7	24,200		29,879,452 ⁴	1,709
14			15,957,760	1,962 ⁵
21			11,884,264	1,472
28				
Cumulative Total	447,000	122,400,000 ⁴	148,718,852	11,675

¹Includes all cows, heifers and calves under the DTP.

²Preliminary data, subject to revision.

³Estimated for April 1 - April 26.

⁴Thru May 31.

⁵Revised

Bruce Merkle (202) 447-6787

#

MONTANA IS FIRST STATE TO SUBMIT "CLEAR TITLE" PROPOSAL TO USDA

WASHINGTON, June 25—Montana is the first state to submit a proposal for implementing provisions of the 1985 Food Security Act that allow purchasers to take clear title to farm products unless they are

notified of an existing lien, a U.S. Department of Agriculture official said today.

B.H. (Bill) Jones, head of USDA's Packers and Stockyards Administration, said USDA is now reviewing the proposal to determine if it meets the criteria for certification established by Congress. The clear title provisions of the Act go into effect Dec. 24.

Montana plans to distribute its master list of farm products under lien to subscribers monthly with 12 categories listed: cattle and calves, sheep and lambs, hogs, wheat, barley, sugar beets, hay, potatoes, wool, eggs, other livestock, and other crops. Montana's proposed plan would go into effect Dec. 24.

A lender would pay \$7 to list a lien initially and \$5 for each change. The state proposes a \$150 yearly fee for distribution of the master list to subscribers by microfiche, and a \$600 yearly fee for paper distribution.

"Interested parties may review Montana's application for certification in our Washington offices during normal business hours," Jones said.

Jim Waltermire, Montana secretary of state, said the state plan may also be reviewed at his offices in the State Capital at Helena during normal business hours.

Each state decides for itself whether to establish a notification system. However, unless states develop a central notification system, or lenders develop their own system to notify potential buyers of liens on farm products, buyers would take clear title to farm products even though a lien exists, just as with other products under provisions of the Uniform Commercial Code.

Any questions may be directed to the Office of the Administrator, Room 3039 South Building, P&SA/USDA, Washington, D.C. 20250. Queries may also be sent electronically via Dialcom to DAG540, or via Telemail to BHJones. For additional information, call (202) 447-7063.

Al Sylvester (202) 382-9528

#

Backgrounders

U.S. Department of Agriculture • Office of Information

USDA POLICY ON RESEARCH AND REGULATION OF BIOTECHNOLOGY PROCESSES AND PRODUCTS

The U.S. Department of Agriculture has both research and regulatory responsibility for certain biotechnological activities and products. Products developed through biotechnological methods will be subject to the same rules for evaluating product purity, safety, potency and efficacy as for those developed through conventional research. These evaluations will require appropriate research review using established protocols to ensure biotechnological products produce no adverse effects on human health or the environment.

Responsibility for Research and Evaluation

The 1985 Food Security Act confers on the secretary of agriculture responsibility for controlling biotechnological research and production in agriculture. Within the scope of this authority, USDA's assistant secretary for science and education is currently developing an oversight system for evaluating biotechnological products similar to that established by the National Institutes of Health.

An advisory committee on agricultural biotechnology and recombinant DNA, operating under the authority of USDA's Office of Agriculture Biotechnology (OAB), will assist in oversight responsibilities. The OAB and its advisory committee will:

- Serve as a focal point for developing and coordinating USDA policies and activities on biotechnology research;
- Perform interagency and public liaison functions;
- Develop and implement policies, procedures and guidelines for laboratory and field research.

All USDA-funded biotechnological research, and any biotechnological research receiving USDA funds, will be subject to the final department guidelines unless the project is supported by and subject to guidelines or

regulations of another agency. The USDA guidelines address all phases of agricultural biotechnology research, including:

- Contained laboratory experiments;
- Research involving specialized isolation;
- Research involving environmental release of biotechnologically engineered organisms.

The guidelines require research organizations to use the institutional biosafety committee concept established by NIH. A multidisciplinary team of experts will oversee experimental protocol to ensure organizations and investigators follow USDA guidelines. Requests for review may be submitted to the OAB through the assistant secretary of science and education.

Guidelines also call for compliance with existing USDA statutes requiring permits to move regulated organisms that may be injurious to plants or animals.

A national biological impact assessment program will be established to assist USDA in evaluating and monitoring biotechnology and research over time. It will be coordinated by the OAB.

USDA supports biotechnological research in several areas including:

- Improving food production and agricultural processing and marketing;
- Finding new crop and animal sources of food, fiber and energy;
- Gaining efficiency and reducing dependency on petroleum products;
- Finding better ways to manage and conserve resources such as soil, water, forests and rangeland.

These research efforts take place through the cooperation of federal and state offices and private industry.

A body of scientific knowledge already exists for evaluating the safety and efficacy of biotechnological processes and products. USDA will evaluate the potential environmental impact of biotechnologically engineered products from several aspects including evaluation of the stability of engineered changes and the possibility that genetic elements might be transferred from one organism to another. It will seek data concerning the probability that an biotechnologically engineered organism may become established in new ecosystems, and the consequences that might result from such an event.

In making its evaluations, USDA will rely on a network of scientific expertise in the agricultural research community. Thousands of plant selections, animal breeding lines and microorganisms are tested annually under varying climatic conditions throughout the country. This research

and evaluation network permits a continual assessment of agricultural research and its products.

Regulations

As part of its regulatory responsibilities to protect and promote domestic agricultural research and production, USDA promulgates regulations covering

- Veterinary biological products
- Plants and plant products
- Meat and poultry products
- Seeds

Veterinary Biologics: Under the 1913 Virus Serum Toxin Act, USDA regulates all veterinary biologics imported into this country or shipped across state lines. Recent amendments contained in the 1985 Food Security Act extends this authority to products shipped within a state or exported from the country.

For veterinary biologics, USDA has identified three categories which may be derived by recombinant DNA techniques or developed from hybridomas. They include:

- Inactivated recombinant DNA-derived vaccines, bacterines, bacterin-toxoids, virus subunits or bacterial subunits;
- Live microorganisms that have been modified by addition or deletion of one or more genes;
- Products using live vectors to carry recombinant-derived foreign genes that code for immunizing antigens and/or other immune stimulants.

Regulations for these products are based on biological characteristics and safety concerns for the products.

Permits are required to import biological products used for research and evaluation, distribution, sales or transit shipment.

For current or prospective manufacturers employing biotechnological methods, the regulations include guidelines on products derived from recombinant DNA methods, chemically synthesized antigens, monoclonal antibody products and master seeds.

As part of its regulatory responsibility regarding veterinary biologics, USDA also exercises control over the importation and interstate movement of organisms and vectors.

Plants and Plant Products: For organisms and products derived by the techniques of genetic engineering, USDA is proposing new rules to

regulate organisms which are plant pests or believed to be plant pests. These regulations will be promulgated under the authority of the Federal Plant Pest Act and the Plant Quarantine Act.

Proposed regulations governing these products and organisms would cover their importation, interstate movement and release into the environment.

Meat and Poultry Products. Within the framework of food safety statutes, USDA has developed regulations for research on animals that are administered experimental animal drugs, biologics and pesticides. Such animals are not eligible for slaughter unless certain conditions are met.

These conditions include any of several different ways of demonstrating that use of such biological product, drug or chemical will not result in the products of such animals being adulterated.

Seeds. The Federal Seed Act gives USDA the authority to prohibit interstate shipment or importation of seeds found to be detrimental to U.S. agricultural interests. These rules apply as well to seeds genetically engineered with modern biotechnology.

To assist USDA research and regulatory agencies in decisionmaking concerning seeds derived from biotechnological research, USDA has established a committee on biotechnology in agriculture. This committee will be co-chaired by the assistant secretary for science and education and the assistant secretary for marketing and inspection services.

The CBA will function both as a policy body in USDA and as a bridge between USDA research and regulatory offices. The OAB will also provide staff support for the research and regulatory structures.

Sid Moore (202) 447-8731

#

HIGHLY ERODIBLE LAND AND WETLAND CONSERVATION PROVISIONS OF THE FOOD SECURITY ACT OF 1985

Two provisions of the Food Security Act of 1985 disqualify farmers for certain U.S. Department of Agriculture programs if they produce crops on highly erodible land without following a locally approved conservation plan, or if they produce crops on converted wetlands. These are the Highly Erodible Land Conservation (Title XII, Subtitle B) and Wetland Conservation (Title XII, Subtitle C) provisions. They are the subject of

USDA interim regulations published in the Federal Register of June 27, 1986, effective immediately. USDA will accept public comments on the regulations for 60 days and expects to issue final regulations later this year.

Why these provisions are needed

By allowing farmers to include crops produced on highly erodible lands and newly converted wetlands as part of their base acreage for various farm support programs, the government has in effect encouraged increased soil erosion and loss of wetlands. This situation also has contributed to commodity surpluses and depressed farm prices.

Programs Covered

Programs covered by the regulations are USDA price and income supports, disaster payments, crop insurance, Farmers Home Administration loans, Commodity Credit Corporation storage payments, farm storage facility loans and other programs under which payments are made with respect to commodities produced by the farmer.

Farmers affected

These regulations could affect any farmer who participates in USDA farm programs, including loan and crop insurance programs. About 80 percent of the nation's 2 million farmers already participate in those programs. Nearly every county in the nation has some highly erodible land or wetlands.

Options for farmers

Under the law and these regulations, farmers who have highly erodible land or newly converted wetland, or wetlands that they would like to convert, have several options:

- They can produce agricultural commodities on the highly erodible land without using an approved conservation plan, and lose their eligibility for covered USDA programs.
- Likewise, they can produce agricultural commodities on newly converted wetland and lose their eligibility.
- They can develop and apply conservation plans that will reduce excessive erosion on highly erodible cropland (conservation plans will not

allow conversion of existing wetlands), and retain their eligibility for covered USDA programs.

—They may apply to enroll their highly erodible land in the Conservation Reserve if they meet the criteria for the program.

Certification Requirement

Farmers who apply for USDA farm programs must certify that they have not cultivated highly erodible land for production of agricultural commodities since Dec. 23, 1985—the date the Food Security Act was enacted. Farmers who have newly cultivated such land must certify that they are producing the crop under a conservation plan approved by the local conservation district. They also must certify that they are not producing agricultural commodities on land that was converted from wetland after that date.

Farmers who plant agricultural commodities on highly erodible lands or wetlands without meeting these conditions are ineligible for the covered programs for any crop they produce on any land they own or operate. Agricultural commodities are those that are seeded annually, including sugarcane. Under this definition, crops such as alfalfa that do not require annual seeding are not considered agricultural commodities. Thus, land that has been in alfalfa since 1981 must be under an approved conservation plan if the producer wants to plant an agricultural commodity and retain eligibility for USDA farm programs.

Agencies Involved

The Agricultural Stabilization and Conservation Service determines: (1) that the applicant is producing agricultural commodities; (2) boundaries of fields that include highly erodible lands or wetlands; (3) if the fields were used to produce at least one crop during 1981-85 or were set aside under USDA production adjustment programs during that period; (4) if a crop was "planted" before date of enactment; (5) if the provisions of landlord-tenant agreements require the production of an agricultural commodity on highly erodible land or converted wetland; and (6) if wetland conversion began before Dec. 23, 1985.

The Soil Conservation Service determines: (1) if the land is highly erodible, wetland or converted wetland; (2) if the producer is actively applying a conservation plan; and (3) if crop production on wetlands is permissible because of a natural condition such as drought, or because the

effect on wetland values will be minimal. SCS also will help farmers prepare conservation plans and install the conservation systems that the plans require.

The Farmers Home Administration determines if the proceeds of any loan it makes will contribute to excessive erosion of highly erodible land or to the conversion of wetland.

The Federal Crop Insurance Corporation will determine if a producer is ineligible for insurance it provides as a result of the production of crops on highly erodible land, or on newly converted wetland.

Local conservation districts, where they exist, approve all conservation plans in consultation with local Agricultural Stabilization and Conservation committees and SCS. Where there is no local conservation district, SCS will approve the plans.

The Cooperative Extension Service provides leadership for public information and education. This will include assistance from their Extension specialists in economics, farm management, biology and wildlife, agronomy, range conservation, and forestry.

When to ask for a conservation plan

Farmers who think they may be farming highly erodible land, or who think they need a conservation plan for any reason, should contact the local office of the Soil Conservation Service or the local conservation district right away. This will ensure timely service and provide the farmers time to plan and apply appropriate cropping and conservation systems.

Right of appeal

Anyone who has been or would be denied eligibility for USDA programs under the Highly Erodible Land or Wetland Conservation provisions has the right to appeal the decision, starting with the local office of the agency that made the adverse determination. Appeals then follow normal agency appeal procedures.

Highly erodible land defined

This provision includes two related but distinct elements:

—Sodbuster," which applies to land that was not cropped during the five years before the Food Security Act was enacted.

"Tolerable" soil erosion rates

Natural processes—the action of air, water, soil micro-organisms, and other factors—continually create new soil from the underlying rock. These processes can offset a small amount of erosion—up to 5 tons per acre—each year. Erosion slower than the rate of soil replacement is considered "tolerable." As SCS soil scientists prepare soil maps, they assign each soil type a soil loss tolerance value based mainly on the depth of the topsoil.

Highly erodible land defined

SCS soil conservationists determine if a soil is highly erodible according to its potential for erosion. They use factors of the Universal Soil Loss Equation and the Wind Erosion Equation to predict potential erosion caused by wind and water.

The water erosion formula relates the effects of rainfall, soil characteristics, and length and steepness of slope to the soil's tolerable erosion rate. The wind erosion formula relates wind speed and soil characteristics to the tolerable rate.

Any soil with an inherent potential to erode at eight times its tolerable erosion rate is considered highly erodible under this provision. However, the formulas do not consider crop management or conservation practices, which influence the actual erosion rate.

Acres involved

Some 118 million acres of land already being used for crop production are considered highly erodible as defined for the highly erodible land provision. This land represents less than 30 percent of the nation's cropland but accounts for nearly 60 percent of all erosion that occurs on cropland. Another 225 million acres of other agricultural lands also are considered highly erodible. In all, almost 25 percent of the agricultural land in the United States is considered highly erodible.

Determining if land highly erodible

Soil conservationists determine if a field is highly erodible by consulting soil maps or by visiting the site. SCS is developing a list of highly erodible soil types. Even where soil maps are available, onsite inspection may be required to verify the determination. Where soil maps are not

available, SCS will prepare them; in those cases, farmers will have two years after the soil survey is completed to be in full compliance with the regulations.

Sodbuster

Sodbuster applies to any land newly cultivated for crop production since Dec. 23, 1985. However, a farmer who cultivated land after that date but planted a crop before the regulations were issued will remain eligible for USDA farm program benefits for the 1986 crop year. To retain eligibility for subsequent crop years, however, the farmer must apply a locally approved conservation plan.

Impetus for sodbuster

The initial impetus for sodbuster laws came when high prices for wheat led to plowing up thousands of acres of grasslands in some Great Plains states—mostly Colorado and Montana. After two years of production, farmers qualified for a wheat base acreage for price support programs. But most of the highly erodible land cannot retain enough moisture to support wheat growth year after year. Productivity of the land declines, and resource problems such as wind erosion increase.

Several counties in the Great Plains passed local ordinances prohibiting the cultivation of fragile grasslands. Two of the first were Weld County, Colorado, and Petroleum County, Montana. Identical sodbuster bills were introduced in the 98th Congress but were not passed. During the debate over the 1985 farm bill in the 99th Congress, however, most farm bill proposals from both House and Senate included sodbuster provisions in the conservation title. Many major farm and environmental organizations supported these provisions.

Conservation compliance

Conservation compliance requires farmers who request certain farm program benefits, and who are farming highly erodible land, to plan and apply locally approved conservation plans. The provision will have no effect on farmers who are already using an approved conservation plan.

Conservation compliance includes a grace period for those who are not using a conservation plan, however, because of the hardships that immediate compliance would impose on farmers who have already established a cropping history. It would also place an impossible single-season workload on SCS field staffs and local conservation districts to help farm-

ers plan and apply such measures. Therefore, farmers who are currently producing agricultural commodities on highly erodible land have until Jan. 1, 1990, to develop and begin to actively apply a conservation plan. They have until Jan. 1, 1995, to have the plan fully in effect.

Conservation plan

Where a soil survey of the land is not available, producers have until two years after a survey is made to be subject to conservation compliance. Conservation plans include specific, practical, cost-effective conservation measures that will allow farmers to produce crops without excessive erosion. They usually include such management practices as conservation tillage and contour farming, which can reduce erosion at a fairly low cost. They may also include practices such as terraces and grassed waterways that are more expensive to install. Other practices may be needed to control gully erosion on covered lands.

SCS field employees will be available to help farmers develop and apply conservation plans and will also help local conservation districts review them.

WETLAND CONSERVATION

The Wetland Conservation provision, commonly known as "swampbuster," denies eligibility for some USDA farm programs to farmers who convert wetlands in order to produce agricultural commodities. The sanction applies to all commodity crops produced by those farmers, not just those produced on converted wetlands.

Wetland values

Less than half of the wetlands that existed when America was first settled still exist. These lands are some of our most diverse and productive lands for fish and wildlife. They help control floods by temporarily storing water during storms. They trap pollutants. They help recharge aquifers. And they provide many recreational opportunities.

Wetland soils also are often highly productive when drained and planted to crops. Farmers can increase their production dramatically in many cases by draining wetlands. But in doing so, they diminish a valuable natural resource and contribute to existing surpluses.

Wetlands defined

Wetlands consist of hydric soils (soils that are covered with standing water or are saturated most of the year) that support hydrophytic (water-

loving) plants. SCS uses lists of hydric soils, hydrophytic plants and appropriate procedures that determine if an area is a wetland.

How to determine presence of wetlands

The SCS soil conservationists who determine the presence of wetlands first determine if the area in question is made up of mostly hydric soils. The second step is to determine if hydrophytic vegetation is prevalent on the area. If both conditions are met, the area will be classified as a wetland.

Only that part of a field that meets these criteria is considered a wetland. Farming the rest of the field will not disqualify the farmer for USDA farm programs.

Exemptions

Farmers who began the conversion of wetlands before Dec. 23, 1985, are exempt from this provision. Also exempt are farmers who converted wetlands that had been created artificially and farmers who produce agricultural commodities on wetlands that became dry through natural conditions such as drought, and farmers whose conversion of and commodity production on wetlands has been determined by SCS to have minimal effect on wetland values.

Farmers who convert wetlands after Dec. 23, 1985, and therefore lose eligibility for USDA farm programs, may subsequently regain their eligibility by stopping production of agricultural commodities on the converted wetland area.

HIGHLY ERODIBLE LAND IN THE UNITED STATES (EXCLUDING ALASKA)

Source: SCS 1982 National Resources Inventory

STATE	HIGHLY ERODIBLE CROPLAND	HIGHLY ERODIBLE AGRICULTURAL LAND WITH POTENTIAL FOR CONVERSION TO CROPLAND
Alabama	1,406,800	6,150,400
Arizona	1,103,500	5,237,900
Arkansas	724,600	6,719,900
California	756,400	4,493,700
Colorado	6,124,800	8,019,100
Connecticut	69,900	373,800
Delaware	22,600	85,900
Florida	202,500	860,700
Georgia	1,083,100	5,632,800
Hawaii	130,600	460,800
Idaho	4,108,800	2,229,300
Indiana	2,203,200	1,836,300
Iowa	8,214,800	2,704,300
Kansas	10,594,600	5,665,200
Kentucky	3,140,800	4,501,100
Louisiana	288,100	4,072,400
Maine	248,800	4,891,300
Maryland	641,500	981,900
Massachusetts	101,200	405,900
Michigan	617,800	1,902,400
Minnesota	1,636,100	1,721,700
Mississippi	1,786,100	3,443,600
Missouri	6,298,900	8,161,900
Montana	9,558,100	12,524,500
Nebraska	6,632,200	12,853,500
Nevada	75,900	759,000
New Hampshire	35,100	792,500
New Jersey	214,400	292,500
New Mexico	1,593,000	5,879,100

STATE	HIGHLY ERODIBLE CROPLAND	HIGHLY ERODIBLE AGRICULTURAL LAND WITH POTENTIAL FOR CONVERSION TO CROPLAND
New York	1,994,300	4,793,900
North Carolina	1,717,200	5,527,000
North Dakota	2,271,500	3,317,500
Ohio	2,347,700	3,064,800
Oklahoma	4,699,200	9,368,700
Oregon	969,000	3,158,100
Pennsylvania	3,780,800	4,829,300
Puerto Rico	256,800	259,000
Rhode Island	3,900	123,600
South Carolina	469,700	2,388,000
South Dakota	1,703,400	6,383,100
Tennessee	2,513,100	6,001,900
Texas	13,903,000	35,589,100
Utah	615,000	1,077,600
Vermont	196,100	1,166,600
Virginia	1,612,900	5,813,200
Washington	2,396,100	3,649,100
West Virginia	605,900	3,202,800
Wisconsin	3,421,800	3,179,000
Wyoming	174,500	6,943,300
TOTAL	117,915,600	225,747,000

WETLANDS IN THE UNITED STATES (EXCLUDING ALASKA)

Source: SCS 1982 National Resources Inventory

STATE	TOTAL ACRES	WETLANDS WITH MEDIUM OR HIGH POTENTIAL FOR CONVERSION TO CROPLAND
Alabama	3,783,800	400,900
Arizona	134,900	23,500
Arkansas	1,323,400	121,500
California	1,380,500	102,400
Colorado	484,600	22,400
Connecticut	317,200	12,000
Delaware	236,800	83,700
Florida	7,727,500	535,400
Georgia	4,898,200	173,100
Hawaii	66,600	(not available)
Idaho	432,900	57,100
Illinois	822,600	103,400
Indiana	221,400	45,000
Iowa	125,800	27,300
Kansas	28,200	1,200
Kentucky	318,400	74,600
Louisiana	6,068,200	144,300
Maine	1,899,900	18,100
Maryland	935,700	68,200
Massachusetts	485,700	12,100
Michigan	3,960,800	224,600
Minnesota	7,723,200	393,900
Mississippi	2,839,600	279,100
Missouri	116,100	27,300
Montana	774,900	68,500
Nebraska	759,000	156,300
Nevada	82,300	6,900
New Hampshire	226,900	1,600
New Jersey	544,700	8,000
New Mexico	64,100	2,700

STATE	TOTAL ACRES	WETLANDS WITH MEDIUM OR HIGH POTENTIAL FOR CONVERSION TO CROPLAND
New York	2,298,000	170,800
North Carolina	2,874,000	278,100
North Dakota	2,896,100	298,200
Ohio	826,200	169,300
Oklahoma	140,500	22,500
Oregon	752,600	117,500
Pennsylvania	651,500	90,800
Puerto Rico	38,000	(not available)
Rhode Island	81,600	400
South Carolina	3,941,500	179,000
South Dakota	1,531,100	98,000
Tennessee	751,400	157,700
Texas	2,799,100	101,200
Utah	1,092,400	11,100
Vermont	182,800	3,100
Virginia	1,269,800	51,100
Washington	436,800	99,500
West Virginia	31,800	5,300
Wisconsin	4,494,800	122,600
Wyoming	263,300	12,400
TOTAL	76,187,200	5,184,300

Jim Benson (202) 447-4772

#

USDA Program Announcements

U.S. Department of Agriculture • Office of Information

USDA ESTABLISHES INTERIM WHEAT CLASSING PROCEDURES - June 20

Effective immediately, the U.S. Department of Agriculture has established a new interim wheat classing procedure for nontraditional hard wheats which will be based on marketing area and intended class rather than kernel characteristics.

The new grading procedure was agreed to yesterday at a workshop at USDA's headquarters that included wheat producers and grain and milling industry representatives.

The workshop also agreed that, following public meetings to be held later this summer, a new classing system will be proposed that meets long-term marketing needs beginning with the 1987 crop.

The workshop also agreed that nontraditional hard red winter wheat that exhibits soft red winter wheat characteristics is not included in the new interim grading procedure.

Representing producer and milling interests at yesterday's meeting were: Henry Neshem, North Dakota Wheat Commission; Winston Wilson, U.S. Wheat; Carl Schwensen and Virgil Smail, National Association of Wheat Growers; Glen Hofer, National Council of Farmer Cooperatives; Leonard Edwards and Sarah Fiedler, National Grain Trade Council; Joseph Halow, North American Export Grain Association; Arvid Hawk, Kerry Goforth and Rich Pennell, National Grain and Feed Association; Glen Weir, Terminal Elevator Grain Merchants Association; Tom Klevay, Millers' National Federation.

Allen Atwood, (202) 475-3367

#

USDA TO REVISE AMERICAN UPLAND COTTON STANDARDS - June 25, 1986

The U.S. Department of Agriculture has announced it is revising the grade standards for American upland cotton by modifying the size of leaf particles used in the physical standards. The revised standards will become effective July 1, 1987.

The size range of leaf particles in the grade standards is being changed to reflect the leaf characteristics of cotton currently being produced by modern harvesting and ginning practices. Leaf particles remain in the cotton lint after ginning and the amount of leaf is one of the factors used by cotton classers to determine the grade of a cotton sample, along with color and preparation.

USDA will also permanently adopt two tentative standards—the Strict Good Ordinary Spotted physical standard and the Strict Good Ordinary Light Spotted descriptive standard. These standards have been in effect on a trial basis since the 1984 season. USDA officials believe that the production and trading of cotton in these two grades indicates that they should be continued on a permanent basis.

Notice of the final rule was published today in the Federal Register. Copies may also be obtained from John Korbol, Cotton Division, 302 Annex, AMS, USDA, Washington, D.C. 20250; telephone (202) 447-2167.

David Nutter (202) 447-6179.

#